# United States Department of the Interior

APR 0 7 2011

IN REPLY REFER TO:

Office of Trust Services

Memorandum

To:        All Regional Directors
              Central Office Division Chiefs

Through:   Director, Bureau of Indian Affairs

~~ACTING~~

From:     Deputy Bureau Director, Trust Services

Subject:   Internal Control Reviews and Assessments of the Bureau's Trust Programs

In compliance with OMB Circular A-123, Management Responsibility for Internal Control, the Bureau has institutionalized annual Internal Control Reviews (ICRs) of trust programs and procedures. In preparation for these reviews, programs should have developed ICR assessment materials to be used by Agency, Regional and Central Office personnel to conduct self and site assessments of the selected components of each trust program.

The ICR process involves trust program assessments by each level of the organization: Agency Offices will conduct self-assessments of the designated trust programs at their locations; Regional Offices will review and verify Agency Office self-assessments and conduct Agency on-site trust program assessments that are randomly selected; and Central Office will review and verify Regional Office on-site trust program assessments and their compilations of the self-assessments.

At each assessment level, the responsible line or program official will certify to their superior officer: (1) compliance with the internal controls of the program and state any corrective actions; and (2) the accuracy and completeness of their assessment. At the Central Office level, each Division Chief responsible for a trust program will review the Agency and Regional Office assessments, certifications, and corrective actions; certify the compliance of the trust program internal controls of the program; and summarize the corrective actions of the program to the Deputy Bureau Director, Trust Services. The Deputy Bureau Director will review and certify to the Director the compliance of the Bureau's trust programs with their internal controls.

This entire process will be completed by June 30th with the transmittal of all Program ICR packages and certifications to the Office of Internal Evaluation & Assessment.

The table attached to this memorandum outlines the activities, responsibilities, and timeframes for each trust program with components to be assessed. Use this table as a guideline, along with the ICR assessment packages prepared by the Central Office Trust Divisions.

Questions and/or comments should be referred to program Division Chiefs for specifics on the ICR assessment packages.

Attachment:

| Activity | Performed By | Timeframe |
|---|---|---|
| **Assemble and distribute ICR-Assessment packages.** Since this is the fifth successive year of conducting A-123 internal assessments, this should have already begun. The risk management documents (RMDs) and Process Memos are used to construct field check sheets. | *Central Office – Trust Services* | *January 1st to April 8th.* |
| **Perform Self-Assessment.** Using the ICR-Assessment packages, Agency program staff complete the self-assessment. Assessments must identify any corrective actions required to comply with relevant statutes, regulations, policies and handbooks. The Superintendent must certify to the Regional Director (RD): 1) that Agency trust programs are in compliance with the internal controls of the program (and state any corrective actions); 2) the accuracy and completeness of their ICR-assessments. | *Agency Staff* | *April 10th to May 10th* |
| **Perform Site Assessments.** Each Region selects two Agencies to perform a site assessment, using all of the materials of the self-assessment. This is done in conjunction with the Agency self-assessment, or after as a check of the self-assessment. Program deficiencies must be identified in a Corrective Action Plan (CAP) for the Agency trust program. | *Regional Staff* | *April 15th to May 15th* |
| **Compile Assessment Results.** Each Region compiles all self-assessments and site assessments, together with all supporting documentation. The Deputy RD – Trust prepares a summary for the RD describing successful assessments, program deficiencies, and any CAPs. | *Regional Staff* | *May 15th to May 31st* |
| **Certify Regional Assessments and Corrective Actions.** RDs certify that Agency self-assessments and on-site assessments accurately describe the assessed program components, and that deficiencies are being addressed in CAPs. RD's submit certifications and packages to the Central Office Division Chief for each reviewed program. | *Regional Directors* | *By May 31st* |
| **Certify Program Assessments and Corrective Actions.** The Division Chiefs review the packages for completeness and compliance with ICR activities, identified deficiencies and CAPs. Division Chiefs then certify to the Deputy Bureau Director – Trust (DBD-Trust) that the Regional ICR assessments are in compliance with trust program internal controls and that program deficiencies are being corrected by Agency actions. | *Central Office Division Chiefs* | *By June 21st* |
| **Certify Trust Assessment and Corrective Actions.** The DBD-Trust compiles the Trust Program ICR packages, certifies the same to the DBIA, and with Division Chief assistance, transmits the packages and certifications to the Office of Internal Evaluation & Assessment. | *Deputy Bureau Director – Trust Services* | *By June 30th* |

# United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Washington, DC 20240

MAR 2 1 2011

Memorandum

To:        Regional Directors
           Attention: Regional Foresters

From:      Acting Deputy Bureau Director, Trust Services

Subject:   Internal Control Reviews and Assessments for the Forest Management Inventory and
           Planning (FMI&P) Component

In compliance with OMB Circular A-123, Management Responsibility for Internal Control, two
components of the Forestry Program will be assessed in FY 2011. The components to be
reviewed are the Forest/Woodland Inventory and Forest Management Planning programs. To
facilitate this effort, the Division of Forestry and Wildland Fire Management (DFWFM) through
its Branch of Forest Resources Planning (BOFRP) has developed Internal Control Review (ICR)
assessment materials. These ICR assessment materials should be used to conduct a self-
assessment of the Region's Forest/Woodland Inventory and Forest Management Planning
programs.

The ICR self-assessment spreadsheet file entitled "FMI&P Field Test Form.xls" should be filled
out by staff specialists who are who are responsible for the Forest/Woodland Inventory and
Forest Management Planning activities, respectively, at each Agency location and at the
Regional Office. The form and instructions can be downloaded from the DFWFM's Web Portal
by using the A-123 link located under "Latest News and Events."

BOFRP will be conducting Regional site visits to review and assist Regions in completing ICR
packages, identifying deficiencies and determining appropriate corrective actions. Regional
Foresters will be contacted to schedule these visits occurring during the month of April and May.
Please provide copies of the self assessments to BOFRP by May 27, 2011.

If you have any questions, please contact Timothy Moriarty, Chief, Branch of Forest Resources
Planning, at 720-407-0632.

**Purpose:**

As part of Indian Affairs' A-123 review process, internal controls for the Bureau's Forest Management Inventory and Planning Trust Services processes will be tested for FY 2011. The testing will be conducted by the Office of Trust Service's, Division of Forestry and Wildland Fire Management's (DFWFM), Branch of Forest Resources Planning (BOFRP). Each Region is required to perform its own self-assessment. The attached FMI&P Field Test Form file will facilitate the self-assessment.

A key trust responsibility of the Bureau of Indian Affairs forestry program is found in 25 CFI 163.11 which states that "an appropriate forest management plan shall be prepared and revised as needed for all Indian forest lands". Internal controls were identified and documented too insure this trust responsibility is met.

**About the Field Test Form:**

The field test form was created by the DFWFM's Branch of Forest Resources Planning. Only worksheet cells having a yellow background allow data entry. The field test form is composed of header information that is used to identify the Regional/Agency Office, Director/Superintendent and Regional/Agency Forest Manager. This is then followed by six (6) columns:

- ☐ **Control:** This column describes the controls that are in place within the process.
- ☐ **Control Validation Question (CVQ):** These are the questions that need to be answered by the process' self-assessors. Each question may be answered in one of three ways: Yes, No, or N/A.
- ☐ **Response: Yes, No, N/A:** Each cell in this column contains a drop-down box that enables the user to select Yes, No, or N/A, *Please note that these are the only valid choices for this column.*
- ☐ **Please Provide Explanation or Reason if Response is No or N/A:** If the response to the previous column was No or N/A, please provide an explanation in this column. (See discussion below).
- ☐ **Address CVQ and Identify Supporting Documentation:** Please respond in further detail and identify any documentation available to support your response in this column.
- ☐ **Key Control:** This column does not need to be filled, it simply identifies whether the process has been identified as a key control in meetings between Bureau of Indian Affairs subject matter experts and Office of the Special Trustee representatives.

Example responses are included on the spreadsheet. Please be aware that responses of No and N/A may be perfectly valid for a particular situation. Further, as we are using this information as a means of improving our existing controls, it is important that we are able to gather and assess complete and accurate data. *There is no penalty for a response of No or N/A.* However, we request an explanation so we may determine if improving a particular control is warranted.